formations of Central Board of Excise and Customs (CBEC), Ministry of Finance, including the Directorate of Revenue Intelligence in the import of arecanut, black pepper, cardamom and cocoa powder from Sri Lanka during the years 2015-16, 2016-17 and 2017-18 (till date), as per the details given below:–

Sl. No.	Name of the commodity	Number of cases booked
1.	Areca/betel nut	18
2.	Black pepper	02
3.	Cardamom	01
4.	Cocoa Powder	01
	TOTAL	22

(c) and (d) The Customs Tariff (Determination of Origin of Goods under the Free Trade Agreement between the Democratic Socialist Republic of Sri Lanka and the Republic of India) Rules, 2000 provides for cooperation between the parties and obligates both countries to put in best endeavours to investigate and, where appropriate, take legal action/or administrative action to prevent circumvention of the Agreement through false declaration concerning country of origin or falsification of original documents.

India and Sri Lanka closely cooperate in investigating suspected origin frauds. Both countries have undertaken exchange of certificates of origin through diplomatic channels to reconcile imports of betel nuts under the Free Trade Agreement from time to time. Central Board of Excise and Customs, (CBEC), Ministry of Finance has sensitised its field formations through issue of instructions from time to time to guard against possible frauds and refer suspected consignments for verification of origin, which are referred to Sri Lanka through diplomatic channels.

Impact of 100 per cent FDI in single brand retail on unorganised sector

2089. SHRI KIRANMAY NANDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether 100 per cent FDI in single brand retail has been approved by Government;

(b) if so, whether it is going to have negative impact on five crore unorganized retailers' business sector in the country;

(c) if so, whether Government has any alternate plan to protect the interest of five crore unorganised retailers of the country; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI C.R. CHAUDHARY): (a) As per the FDI policy, 100% FDI in Single Brand Retail Trading (SBRT) was allowed under the Government approval route with FDI upto 49% being allowed under automatic route. Now, *vide* Press Note No. 1(2018 Series) issued on 23rd January, 2018, the FDI policy provisions regarding SBRT have been amended to allow 100% FDI under automatic route.

(b) to (d) FDI policy on SBRT has been in operation since 2006 when 51% FDI was permitted under Government approval route. FDI in SBRT was allowed in a calibrated manner incorporating certain conditions as safeguards for this sector. Thereafter, in 2012, FDI limit for the sector was raised to 100%, under approval route. Thus, 100% FDI in SBRT has been in force since 2012. In 2013, the policy was further revised to permit 49% FDI under automatic route and FDI beyond 49% and up to 100% under Government approval route. As the FDI policy in the SBRT sector has gradually evolved over the years and there are now well established and clear provisions laid down in the policy on SBRT, 100% FDI has now been permitted through automatic route, subject to compliance of conditions prescribed for this sector enumerated in revised FDI policy for SBRT given in Statement (*See* below).

FDI Policy on different sectors is formulated/reviewed in a calibrated manner after intensive consultations with stakeholders including Ministries/Departments concerned, apex industry chambers and other organizations.

Statement

Single brand product retail trading

Sector/Activity	% of Equity/FDI Cap	Entry Route
Single Brand product retail trading	100%	Automatic

(1) Foreign Investment in Single Brand product retail trading is aimed at attracting investments in production and marketing, improving the availability of such goods for the consumer, encouraging increased sourcing of goods from India, and enhancing competitiveness of Indian enterprises through access to global designs, technologies and management practices.

(2) FDI in Single Brand product retail trading would be subject to the following conditions:–

(a) Products to be sold should be of a 'Single Brand' only.

(b) Products should be sold under the same brand internationally *i.e.* products should be sold under the same brand in one or more countries other than India.

(c) 'Single Brand' product-retail trading would cover only products which are branded during manufacturing.

(d) A non-resident entity or entities, whether owner of the brand or otherwise, shall be permitted to undertake 'single brand' product retail trading in the country for the specific brand, either directly by the brand owner or through a legally tenable agreement executed between the Indian entity undertaking single brand retail trading and the brand owner.

(e) In respect of proposals involving foreign investment beyond 51%, sourcing of 30% of the value of goods purchased, will be done from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors. The quantum of domestic sourcing will be self-certified by the company, to be subsequently checked, by statutory auditors, from the duly certified accounts which the company will be required to maintain. This procurement requirement would have to be met, in the first instance, as an average of five years' total value of the goods purchased, beginning 1st April of the year of the commencement of the business *i.e.* opening of the first store. Thereafter, it would have to be met on an annual basis. For the purpose of ascertaining the sourcing requirement, the relevant entity would be the company, incorporated in India, which is the recipient of foreign investment for the purpose of carrying out single brand product retail trading.

(f) Subject to the conditions mentioned in this Para, a single brand retail trading entity operating through brick and mortar stores, is permitted to undertake retail trading through e-commerce.

(g) Single Brand retail trading entity would be permitted to set off its incremental sourcing of goods from India for global operations during initial 5 years, beginning 1st April of the year of the opening of first store, against the mandatory sourcing requirement of 30% of purchases from India. For this purpose, incremental sourcing will mean the increase in terms of value of such global sourcing from India for that single brand (in INR terms) in a particular financial year from India over the preceding financial year, by the non-resident entities undertaking single brand retail trading, either directly or through their group companies. After completion of this 5 years period, the SBRT entity shall be required to meet the 30% sourcing norms directly towards its India's operation, on an annual basis.

Note:

(i) Conditions mentioned at Para 5.2.15.3 (2) (b) and 5.2.15.3 (2) (d) will not be applicable for undertaking SBRT of Indian brands.

(ii) Indian brands should be owned and controlled by resident Indian citizens and/or companies which are owned and controlled by resident Indian citizens.

(iii) Sourcing norms will not be applicable up to three years from commencement of the business *i.e.* opening of the first store for entities undertaking single brand retail trading of products having 'state-of-art' and 'cutting-edge' technology and where local sourcing is not possible. Thereafter, provisions of Para 5.2.15.3 (2) (e) will be applicable. A Committee under the Chairmanship of Secretary, DIPP, with representatives from NITI Aayog, concerned Administrative Ministry and independent technical expert(s) on the subject will examine the claim of applicants on the issue of the products being in the nature of 'state-of-art' and 'cutting-edge' technology where local sourcing is not possible and give recommendations for such relaxation.

Decline in exports

2090. SHRI A. VIJAYAKUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether country's exports have decreased in recent years;

(b) if so, the details thereof; and

(c) what all remedial measures have been taken to bring balance in export and import targets of the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI C. R. CHAUDHARY): (a) and (b) India's overall export (merchandise and services) has increased by 4.58% during the year 2016-17 and 8.92% during 2017-18